MT LEGISLATIVE HISTORY

Chapter 86 1989

Bill H _____ (S) 75 Original bill & hist. ___C

H. Committee on State Administration		S. Committee on State Administration	
Hearing Date(s) Mar 01	✓C	Hearing Date(s) Jan 11	✓C
_____	___C	Jan 12	✓C
_____	___C	_____	___C
_____	___C	_____	___C
Date Out Mar 01	✓C	Jan 12	✓C

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

SENATE BILL NO. 75

INTRODUCED BY JACOBSON, BRADLEY, COBB, KEATING, JERGESON, SIMON, GAGE

BY REQUEST OF THE LEGISLATIVE AUDIT COMMITTEE AND THE DEPARTMENT OF ADMINISTRATION

IN THE SENATE

JANUARY 6, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION.
	FIRST READING.
JANUARY 13, 1989	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
JANUARY 14, 1989	PRINTING REPORT.
JANUARY 17, 1989	SECOND READING, DO PASS.
JANUARY 18, 1989	ENGROSSING REPORT.
JANUARY 19, 1989	THIRD READING, PASSED. AYES, 50; NOES, 0.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

JANUARY 19, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION.
FEBRUARY 20, 1989	FIRST READING.
MARCH 1, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 2, 1989	POSTED ON CONSENT CALENDAR.
MARCH 4, 1989	CONSENT CALENDAR, QUESTIONS AND ANSWERS.
MARCH 4, 1989	THIRD READING, CONCURRED IN. AYES, 93; NOES, 0.

IN THE SENATE

MARCH 6, 1989

RECEIVED FROM HOUSE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

Senate BILL NO. 75

INTRODUCED BY Jacobson Bradley Cobb Keating Jergeson

BY REQUEST OF THE LEGISLATIVE AUDIT COMMITTEE

AND THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR AN AUDIT OF THE STATE EMPLOYEE GROUP BENEFIT PLANS EVERY 2 YEARS TO COVER THE 2-YEAR PERIOD SINCE THE LAST AUDIT; AMENDING SECTION 2-18-816, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 2-18-816, MCA, is amended to read:

"2-18-816. ~~Annual---audits~~ Biennial audit of group benefit plans required. The ~~department-shall-have-the~~ state employee group benefit plans established under this part, whether established on a self-funded basis or not, must be audited ~~annually--by--either~~ every 2 years. The audit must cover the 2-year period since the last audit and be conducted by or at the direction of the legislative auditor ~~or-an-independent-certified-public-accountant~~."

Section 2. **Extension of authority.** Any existing authority to make rules on the subject of the provisions of [this act] is extended to the provisions of [this act].

Section 3. **Effective date.** [This act] is effective on passage and approval.

-End-

INTRODUCED BILL
SB 75

LC 0162/01

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB075 , as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act providing for an audit of the State Employee Group Benefit Plans every 2 years to cover the 2 year period since the last audit; amending section 2-18-816, MCA; and providing an immediate effective date.

ASSUMPTIONS:

1. Current annual budget cost is $23,500.
2. No price increase is anticipated for the biennial audit.

FISCAL IMPACT:

	FY90			FY91		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Expenditures:						
Operating Expenses	$23,500	$23,500	-0-	$23,500	-0-	($23,500)

Funding Source: Proprietary Funds

Ray Shackleford 1/13/89
RAY SHACKLEFORD, BUDGET DIRECTOR DATE
OFFICE OF BUDGET AND PROGRAM PLANNING

Judy H Jacobson 1-14-89
JUDY H. JACOBSON, PRIMARY SPONSOR DATE

Fiscal Note for SB075 , as introduced

SB 75

MINUTES

MONTANA SENATE
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON STATE ADMINISTRATION

Call to Order: By Chairman William E. Farrell, on January 11, 1989, at 10:00 a.m.

ROLL CALL

Members Present:	Chairman William E. Farrell Senator Hubert Abrams Senator John Anderson, Jr. Senator Esther Bengtson Senator Sam Hofman Senator Paul Rapp-Svrcek Senator Tom Rasmussen Senator Eleanor Vaughn
Members Excused:	Senator Ethel Harding
Members Absent:	None
Staff Present:	Eddye McClure

HEARING ON SB 49

Presentation and Opening Statement by Sponsor:

Senator Tom Rasmussen reported that SB 49 deals with an issue concerning seasonal and temporary employees relating to their benefits. This bill was requested by the Department of Administration, and Senator Rasmussen indicated he would like to call on Laurie Ekanger from the Department of Administration.

List of Testifying Proponents and What Group they Represent:

Laurie Ekanger, Administrator, State Personnel Division
Tom Schneider, Executive Director, Montana Public Employees Association and member, Employee Benefits Council

List of Testifying Opponents and What Group They Represent:

None.

Testimony:

HEARING ON SB 75

Presentation and Opening Statement by Sponsor:

Senator Judy Jacobson stated that SB75 will change the audit of the State Employee Group Benefit Plan from an every year audit to every 2 years. Senator Jacobson indicated this change would save approximately $20,000. She noted that all the members of the Audit Committee signed the bill, and that it has also been supported by the State Employee Group Benefits Advisory Council.

List of Testifying Proponents and What Group they Represent:

Laurie Ekanger, Administrator, State Personnel Division
Tom Schneider, Executive Director, Montana Public Employees Association and member, Employee Benefits Council

Testimony:

Ms. Ekanger indicated the State Personnel Division is responsible for administration of the state group health plan, and is advised in that responsibility by the Group Benefits Advisory Council, and Legislative Auditor Scott Seacat sits on that Council. In an effort to find cost-saving measures, Ms. Ekanger indicated this change was identified by the department and the council as one that would save $23,500, the amount budgeted for annual audits. She noted the department felt that, for that same amount of money, they could be consistent with the Legislative Auditor's audit of the rest of state government, and do an audit every 2 years for the full two year cycle. She indicated this bill is strictly a cost-saving measure, is supported by the department and the advisory council, and they urge passage of SB75.

Mr. Schneider indicated the only thing he would like to add is that the audit is really a compliance audit to see how the plan is working as far as delivering financially, and how the claims are being handled. He stated it has nothing to do with whether there should be higher or lower premiums. Mr. Schneider reported ta full-time consultant attends every meeting that is held, and makes recommendations and files monthly reports with the council and with the state. He noted the plan would not just sit out for 2 years with no one looking at it.

Closing by Sponsor:

Senator Jacobson closed by stressing that this bill will save money.

ROLL CALL

STATE ADMINISTRATION COMMITTEE

51ST LEGISLATIVE SESSION

DATE: January 11, 1989

NAME	PRESENT	ABSENT	EXCUSED
HUBERT ABRAMS	✓		
JOHN ANDERSON, JR.	✓		
ESTHER BENGTSON	✓		
WILLIAM E. FARRELL	✓		
ETHEL HARDING			✓
SAM HOFMAN	✓		
PAUL RAPP-SVRCEK	✓		
TOM RASMUSSEN	✓		
ELEANOR VAUGHN	✓		

SENATE STATE ADMIN.
EXHIBIT NO. 2
DATE 1/11/89
BILL NO. SB 75

PD 1/89

Department of Administration

TESTIMONY IN FAVOR OF SB 75

I. PURPOSE OF THE ACT

This bill amends the requirements for an annual audit of the state employee group benefit plan to an audit every two years covering the two year period since the last audit to be consistent with the Legislative Audit Act.

II. WHY CHANGE FROM AN ANNUAL TO A BIENNIAL AUDIT?

The expense of a second audit every biennium will be saved (an approximate biennial savings of $20,000).

A biennial audit is the standard audit frequency required for audits of most state agencies by the Legislative Auditor in the Legislative Audit Act, Section 5-13-304 (1), M.C.A.

The change is supported by the State Employee Group Benefits Advisory Council established by Section 2-15-1016, M.C.A.

The change is supported by the Legislative Audit Committee.

III. SUMMARY

This bill is proposed as a cost-saving, efficiency measure.

For more information call Laurie Ekanger or Rod Sundsted, State Personnel Division, 444-3871.

SB75TST2.FOR-LEGIS

VISITORS' REGISTER

STATE ADMINISTRATION COMMITTEE

DATE: January 11, 1989

NAME	REPRESENTING	BILL #	Support	Oppose
Brenda Nordlund	MT Women's Lobby	observe		
Tom Schneider	MPEA	SB 49, 75	X	
Laurie Ekanger	Dept of Adm	SB 49, 75	X	
MS Davis	LWVMT	observe		

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

MINUTES

MONTANA SENATE
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON STATE ADMINISTRATION

Call to Order: By Chairman William E. Farrell, on January 12, 1989, at 10:00 a.m.

ROLL CALL

Members Present: Chairman William E. Farrell
Senator Hubert Abrams
Senator John Anderson, Jr.
Senator Esther Bengtson
Senator Ethel Harding
Senator Sam Hofman
Senator Paul Rapp-Svrcek
Senator Tom Rasmussen
Senator Eleanor Vaughn

Members Excused: None

Members Absent: None

Staff Present: Eddye McClure

HEARING ON SB 82

Presentation and Opening Statement by Sponsor:

Senator Dennis Nathe indicated that SB82 is requesting that the Wheat and Barley Committee bureau chief position be exempted from the State Pay Plan. Senator Nathe indicated that, in surrounding states, the lowest paid person in a similar position receives $11,000 higher than this position. Senator Nathe indicated the Committee is asking for this authority so that if, in the future, the need arises to hire someone new for that position, they have the flexibility to go out in the marketplace and hire competent, qualified people. He stated being locked into the State Pay Plan at the bureau chief level is a problem. Senator Nathe noted that this position may be referred to as the Executive Vice President. He explained there are 2 titles because trade delegations from the Orient do not like to deal with bureau chiefs. It is a matter of how they perceive who their delegations are dealing with, and the title that this position carries within the organization is Executive Vice President. The pay, however, is set at the bureau chief level. The Committee would like to see this position exempted from the State Pay Plan to give the board the power to set that salary accordingly. Senator Nathe reported that this would not

result of the pay freeze and possible loop holes. He indicated he thinks it is prudent to clear up the loop holes.

Recommendation and Vote:

Motion passed that SB49 do pass.

Senator Bengtson moved that SB 75 do pass.

Recommendation and Vote:

Motion passed that SB75 do pass.

ADJOURNMENT

Adjournment At: 11:35 a.m.

William E. Farrell
WILLIAM E. FARRELL, Chairman

WEF/mhu
SB82.112

ROLL CALL

STATE ADMINISTRATION COMMITTEE

51ST LEGISLATIVE SESSION

DATE: January 12, 1989

NAME	PRESENT	ABSENT	EXCUSED
HUBERT ABRAMS	✓		
JOHN ANDERSON, JR.	✓		
ESTHER BENGTSON	✓		
WILLIAM E. FARRELL	✓		
ETHEL HARDING	✓		
SAM HOFMAN	✓		
PAUL RAPP-SVRCEK	✓		
TOM RASMUSSEN	✓		
ELEANOR VAUGHN	✓		

STANDING COMMITTEE REPORT

January 12, 1989

MR. PRESIDENT:

We, your committee on State Administration, having had under consideration SB 75 (first reading copy -- white), respectfully report that SB 75 do pass.

DO PASS

Signed: _____
William E. Farrell, Chairman

scrsb75.112

1/13

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON STATE ADMINISTRATION

Call to Order: By Chairman Jan Brown, on March 1, 1989, at 9:00 a.m.

ROLL CALL

Members Present: All present

Members Excused: None

Members Absent: None

Staff Present: Judy Burggraff, Secretary; Lois Menzies, Staff Researcher

Announcements/Discussion: Chairman Brown reminded the Committee of the tour of the Power-Tobin Mansion, which has been donated to the state for the Governor's mansion. The bus will leave the capitol at 11:00 a.m.

HEARING ON SB 75

Presentation and Opening Statement by Sponsor: Sen. Judy Jacobson, Senate District 38, introduced the bill. This bill, requested by the Legislative Audit Committee and the Department of Administration, requires the state employee group benefits plan to be audited every two years, rather than annually, or at the direction of the Legislative Auditor.

Testifying Proponents and Who They Represent:

Laurie Ekanger, Montana Department of Administration

Proponent Testimony:

LAURIE EKANGER, representing the Department of Administration, presented written testimony (Exhibit 1).

Testifying Opponents and Who They Represent: None

Questions From Committee Members: None

Closing by Sponsor: None

DISPOSITION OF SB 75

Motion: Rep. Campbell moved that SB 75 BE CONCURRED IN.

Discussion: None

Amendments, Discussion, and Votes: None

Recommendation and Vote: The motion CARRIED unanimously. Rep. Roth moved to place SB 75 ON THE CONSENT CALENDAR. The motion carried unanimously.

HEARING ON SB 110

Presentation and Opening Statement by Sponsor: Sen. Judy Jacobson, Senate District 38, introduced the bill. Current law requires claims for disbursements submitted to the Department of Administration to bear the signature of the authorizing officer or employee. In addition, agencies must send copies of documents supporting claims to the Department. This bill, requested by the Department of Administration, removes these requirements. This bill is effective on passage and approval and applies retroactively to claims submitted electronically to the Department on or after January 1, 1989.

Sen. Jacobson said the purpose of the bill is to put the Department of Administration on the computer system. She said the cost savings to the state include better utilization of fiscal staff time and a reduction of photocopying and mailings costs, which should save the state $39,700 per biennium.

Testifying Proponents and Who They Represent:

Karen Munro, Administrator, Centralized Services Division, Department of Administration

Proponent Testimony:

KAREN MUNRO, from the Department of Administration, said that right now the agencies have to submit hard copies to the Department of Administration. She said that they have been working on a computer system that would allow for the reduction of one full-time employee.

Testifying Opponents and Who They Represent: None

Questions From Committee Members:

REP. CAMPBELL asked who requested the bill. Ms. Munro said that the Legislative Auditors brought it before the Department of Administration in 1985.

Exhibit no. 1
3-1-89
SB 114
Hse State Admin.

PD 1/89

Department of Administration

TESTIMONY IN FAVOR OF SB 75

I. PURPOSE OF THE ACT

This bill amends the requirements for an annual audit of the state employee group benefit plan to an audit every two years covering the two year period since the last audit to be consistent with the Legislative Audit Act.

II. WHY CHANGE FROM AN ANNUAL TO A BIENNIAL AUDIT?

The expense of a second audit every biennium will be saved (an approximate biennial savings of $20,000).

A biennial audit is the standard audit frequency required for audits of most state agencies by the Legislative Auditor in the Legislative Audit Act, Section 5-13-304 (1), M.C.A.

The change is supported by the State Employee Group Benefits Advisory Council established by Section 2-15-1016, M.C.A.

The change is supported by the Legislative Audit Committee.

III. SUMMARY

This bill is proposed as a cost-saving, efficiency measure.

For more information call Laurie Ekanger or Rod Sundsted, State Personnel Division, 444-3871.

SB75TST2.FOR-LEGIS

VISITORS' REGISTER

STATE ADMINISTRATION COMMITTEE

BILL NO. SB 75 DATE March 1, 1989

SPONSOR SEN. JACOBSON

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Laurie Ekanger	Mt. Dept. of Admin	X	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

CS-33

DAILY ROLL CALL

STATE ADMINISTRATION COMMITTEE

51th LEGISLATIVE SESSION -- 1989

Date March 1, 1989

NAME	PRESENT	ABSENT	EXCUSED
Rep. Jan Brown, Chairman	✓		
Rep. Helen O'Connell, Vice Ch.	✓		
Rep. Vicki Cocchiarella	✓		
Rep. Ervin Davis	✓		
Rep. Floyd "Bob" Gervais	✓		
Rep. Janet Moore	✓		
Rep. Angela Russell	✓		
Rep. Carolyn Squires	✓		
Rep. Vernon Westlake	✓		
Rep. Timothy Whalen	✓		
Rep. Bud Campbell	✓		
Rep. Duane Compton	✓		
Rep. Roger DeBruycker	✓		
Rep. Harriet Hayne	✓		
Rep. Richard Nelson	✓		
Rep. John Phillips	✓		
Rep. Rande Roth	✓		
Rep. Wilbur Spring, Jr.	✓		

STANDING COMMITTEE REPORT

March 1, 1989

Mr. Speaker: We, the committee on State Administration report that SENATE BILL 75 (blue reference copy) be concurred in and that it be placed on the CONSENT CALENDAR.

Signed: _____
Jan Brown, Chairman

[REP. COBB WILL CARRY THIS BILL ON THE HOUSE FLOOR]

SENATE BILL NO. 75

INTRODUCED BY JACOBSON, BRADLEY, COBB,

KEATING, JERGESON, SIMON, GAGE

BY REQUEST OF THE LEGISLATIVE AUDIT COMMITTEE

AND THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR AN AUDIT OF THE STATE EMPLOYEE GROUP BENEFIT PLANS EVERY 2 YEARS TO COVER THE 2-YEAR PERIOD SINCE THE LAST AUDIT; AMENDING SECTION 2-18-816, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 2-18-816, MCA, is amended to read:

"2-18-816. ~~Annual---audits~~ Biennial audit of group benefit plans required. The ~~department-shall-have-the~~ state employee group benefit plans established under this part, whether established on a self-funded basis or not, must be audited ~~annually--by--either~~ every 2 years. The audit must cover the 2-year period since the last audit and be conducted by or at the direction of the legislative auditor ~~or-an-independent-certified-public-accountant~~."

NEW SECTION. **Section 2.** Extension of authority. Any existing authority to make rules on the subject of the provisions of [this act] is extended to the provisions of [this act].

NEW SECTION. **Section 3.** Effective date. [This act] is effective on passage and approval.

-End-